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S E C R E T SECTION 01 OF 03 ASUNCION 000668

SIPDIS

WHA FOR A/S NORIEGA, PDAS DERHAM  
STATE PASS TO USAID LAC/AA  
NSC FOR KIM BREIER  
SOUTHCOM FOR POLAD DAN JOHNSON

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SUBJECT: PARAGUAY: UPDATE ON CUBAS KIDNAPPING INVESTIGATION  
AND FARC ACTIVITY

REF: A. ASUNCION 00589

[1](#)B. ASUNCION 00246 AND PRECEDING

[1](#)C. ASUNCION 00232

Classified By: PolOff Mark Stamilio, reasons 1.4(b),(c),(d).

#### Summary

[1](#)1. (U) As reported in the press, a dissident Patria Libre party (PPL) member testified that a Colombian national who advised the PPL faction responsible for the kidnapping and murder of former President Raul Cubas's daughter, Cecilia Cubas (ref B), recommended that the group kill Ms. Cubas after ransom negotiations faltered. Prosecutors have suggested that the Colombian adviser was FARC "Foreign Minister" Rodrigo Granda. According to the witness's testimony, the adviser also encouraged the PPL to establish an armed wing in Paraguay. Six additional PPL members now face criminal charges based on the witness's testimony, bringing the total to 28.

[1](#)2. (S) Paraguayan Attorney General Oscar Latorre shared with the Ambassador new evidence showing additional email communication between the PPL in Paraguay and senior FARC leaders in Colombia, and between the PPL and a FARC operative possibly based in Argentina. Among other things, the new evidence indicates that the PPL communicated with the FARC regarding at least one other kidnapping for ransom prior to the Cubas kidnapping.

[1](#)3. (U) Additionally, prosecutors are investigating reports that six FARC members entered Paraguay by way of Bolivia to assist with the Cubas kidnapping, and reports that a presumed FARC member was involved in an attempted kidnapping in Ciudad del Este (ref A). End Summary.

#### Testimony of Dissident PPL Member

[1](#)4. (U) In a pre-trial deposition before a judge in late April, dissident PPL member turned police informant Dionisio Olazar Balbuena testified that a Colombian national accompanied Osmar Martinez, the leader of the PPL faction believed to be responsible for the Cubas kidnapping and murder, to a meeting in Paraguay. Olazar testified that the Colombian national used the alias "Comandante Santiago" and served as an adviser to the Martinez faction in connection with the kidnapping. Based on Olazar's general description of Comandante Santiago -- white male with graying hair, glasses, and a "Central American" accent -- prosecutors have suggested that he may have been FARC "Foreign Minister" Rodrigo Granda. (Note: Paraguayans sometimes refer to any unfamiliar Spanish accent as "Central American." End Note.)

[1](#)5. (U) According to Olazar, the Martinez faction perpetrated the Cubas kidnapping "to recover money from those who had stolen it from the people." Their plan was to demand an initial USD 300,000 as "punishment," and then negotiate a ransom of USD 3 million - 5 million. When negotiations with the Cubas family faltered, Comandante Santiago recommended that the group kill Ms. Cubas, and then left Paraguay. Olazar testified that Comandante Santiago also encouraged the PPL to establish an armed wing in Paraguay.

[1](#)6. (U) Olazar testified that he quit the PPL after a falling-out with PPL leader Juan Arrom. (Note: Arrom is accused of orchestrating the 2001 kidnapping of Maria Edith Bordon de Debernardi, and was granted refugee status in Brazil after he was allegedly tortured by authorities in Paraguay. End Note.) According to Olazar, the falling-out occurred when he questioned Arrom about the accusations against him in the Debernardi case. Olazar further testified that Martinez, Comandante Santiago, and two unnamed Deputies from Brazil's Workers Party (PT) tried to convince him to rejoin the PPL in support of South America's leftist movement.

[1](#)7. (S) Comment: Some aspects of Olazar's testimony are self-serving and inconsistent with sensitive reporting. For instance, the PPL formed its armed wing at least ten years ago, and according to sensitive reporting, Comandante

Santiago actually told the PPL that it needed to strengthen its political wing so that the armed and political wings would better complement each other. Olazar's focus on the formation of an armed wing may be an attempt to exploit the public's concerns about security in Paraguay and thereby inflate the significance of his testimony.

18. (S) Comment continued: Also, according to sensitive reporting, Olazar was previously unable to identify a "Central American" accent as anything other than a non-Paraguayan accent. Further, it is unlikely that he met Granda and cannot identify him more positively than the general description he provided to the Attorney General's Office. In Post's assessment, it is also unlikely that Granda is Comandante Santiago.

19. (S) Comment continued: Finally, sensitive reporting indicates that Olazar kept some distance from the PPL after his falling-out with Arrom, but never quit the party. He continued to attend PPL meetings, which is how he obtained the information he imparted to the Attorney General's Office and in his testimony. Having been outed as a member of the party, however, and no longer in good graces with Arrom, who will likely remain its leader, Olazar is hoping to save his own skin by cooperating with the authorities and minimizing his involvement in PPL activities. End Comment.

#### Growing Rap Sheet

10. (U) Six additional PPL members now face criminal charges based, in part, on Olazar's testimony. According to Olazar, those members were present at a January PPL meeting during which Martinez called for a vote on Ms. Cubas's fate. Three of the six supported Martinez's decision to kill Ms. Cubas. All six face charges as accomplices for failing to report the crime to the authorities. A total of 28 individuals now face charges in the case:

- Osmar Martinez
- Anastasio Mieres
- Jose Martinez
- Francisca Andino
- Asael Salas
- Aldo Meza
- Vasiano Acosta
- Manuel Portillo
- Juan Martinez
- Pedro Chamorro
- Lidia Samudio
- Rosalba Jara
- Amalia Britez
- Hernan Nunez
- Emiliano Rojas
- Jose Hidalgo
- Manuel Cristaldo
- Magna Meza
- Osvaldo Villalba
- Carlos Espinola
- Sebastian Osorio
- Lorenzo Gonzalez
- Agustin Acosta
- Angel Acosta
- Blas Franco
- Gustavo Lezcano
- Aristides Vera
- Roque Rodriguez

#### New Email Evidence

11. (S) According to evidence Paraguayan Attorney General Oscar Latorre shared with the Ambassador, on July 12, 2004, the day Martinez is believed to have met with Granda in Caracas, Venezuela (ref C), Granda emailed senior FARC leader Raul Reyes on Martinez's behalf to report on the status of plans and preparations for the Cubas kidnapping. The evidence indicates that Granda then put Martinez in contact with a FARC operative (alias "Hermes") who has an email account registered in Argentina (cocobolivar@yahoo.com.ar). (Note: According to press reports, the Paraguayan authorities believe Hermes is part of a FARC cell in Buenos Aires. The evidence Latorre shared with the Ambassador indicates that Martinez met Hermes in Brazil, perhaps on his way back to Paraguay from Venezuela. End Note.)

12. (S) The evidence also indicates that the PPL communicated with the FARC regarding at least one other kidnapping for ransom, in June 2003, roughly one year before the Cubas kidnapping. The exchange was between alias "Javier" and alias "Arturo" by means of the musguero@hotmail.com email account later linked to Martinez in the Cubas investigation (ref B). The drafter used the same agricultural references ("fruit" to refer to the victim, "crop" to refer to the kidnapping, etc.) that Martinez and Granda later used to discuss the Cubas kidnapping. Paraguayan authorities' analysis of the communication suggests that the kidnapping victim in the June 2003 case was a Brazilian national (based on an allusion to the color "yellow-green," the predominant

color in Brazil's national flag) and that the PPL requested the assistance of a FARC advisor (based on an allusion to a "member of the cooperative").

#### Other FARC Activity

13. (U) Prosecutors are investigating reports that six FARC members entered Paraguay by way of Bolivia to assist with the Cubas kidnapping. Separately, police in Ciudad del Este reportedly thwarted an attempt to kidnap a relative of "a well-known physician" by a group that reportedly included a Colombian national named Jose Raul Castro Fernandez. Paraguayan authorities reportedly told the press that Castro "could be a member of the FARC."

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